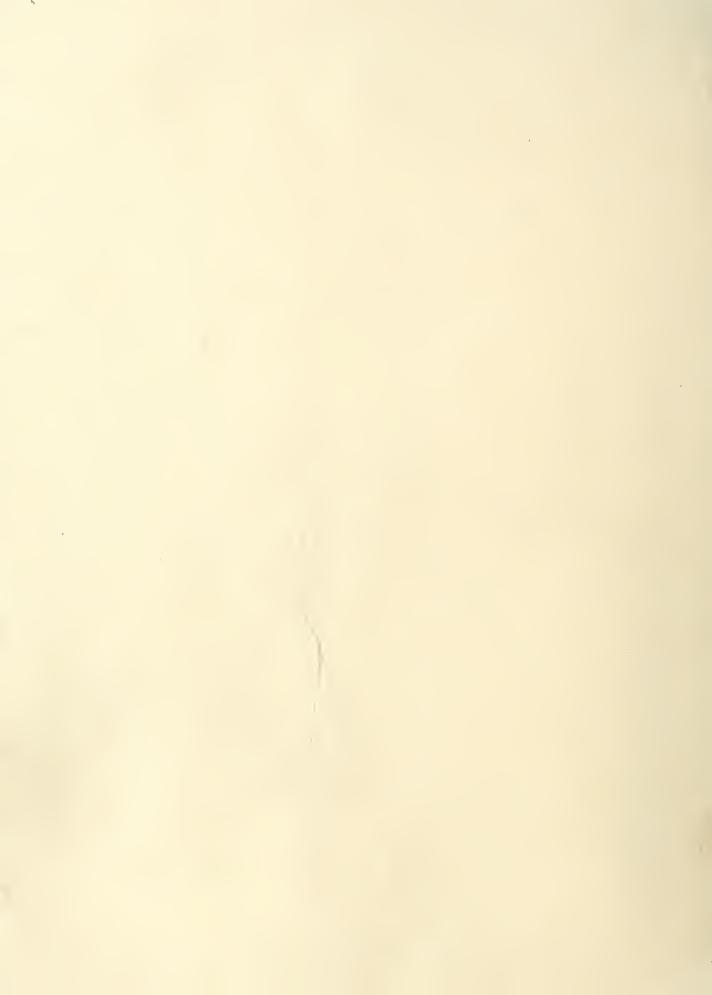
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BACKGROUND INFORMATION

Agricultural Stabilization and Conservation Service
U. S. Department of Agriculture

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PRAIRIE VILLAGE COMMODITY OFFICE OPERATIONS

The Prairie Village, Kansas, Commodity Office (PVCO) has management responsibilities for acquisition, handling, storage and processing of commodities as required to carry out CCC program commitments. Commodities assigned to PVCO are described below.

<u>BULK COMMODITIES</u> -- Corn, soybeans, wheat, oats, barley, rye, sorghum, dry edible beans, flaxseed, rice, cotton (upland and extra long staple), cottonseed, cottonseed oil, peanuts, peanut oil, tung oil, and castor oil.

PROCESSED COMMODITIES -- Over 60 different processed commodities, including dairy products (butter, cheese, and dried milk), grain products (flour, corn meal, rolled wheat bulger, rolled oats), and other fresh and processed commodities such as milled rice, oils, canned fruits and vegetables, poultry and meat.

The activities of PVCO are coordinated in Washington, D.C., under the overall policy guidance of the Administrator of ASCS, who is also Executive Vice-President of CCC. Day-to-day activity is carried out through the ASCS Deputy Administrator, Commodity Operations (DACO).

CCC is directed by its Charter to carry out its commodity operations to the fullest extent practicable by utilizing "the usual and customary channels, facilities, and arrangements of trade and commerce." Thus, PVCO utilizes storage facilities in more than 7,000 warehouses, and the services of thousands of domestic carriers, banks and other lending agencies, purchase and sales agents, processors, handlers, producer and cooperative associations, exporters, and other elements of the trade.

Sales for dollars, both for domestic and export use, have been the biggest single outlet for CCC-owned or controlled commodities. Other commodity programs include:

- 1. Credit Sales under P.L. 480, Title I.
- 2. Donation of available commodities to foreign countries through charitable organizations under P.L. 480, Title II.
- 3. Sales at reduced prices under the Livestock Feed Program for disaster or emergency assistance to farmers and ranchers in the U.S.

- 4. Donations under Section 6 of the National School Lunch Program.
- 5. Donations under Section 32 through State agencies to non-profit institutions for charitable or public welfare purposes.
- 6. Sales and transfers to other U.S. Government agencies.

PVCO is divided into eight Divisions and four Branch Offices to effectively carry out the above responsibilities.

The Inventory Management Division and the Procurement and Sales Division analyze commodity availability in relation to need; acquire and dispose of commodities to meet program commitments; maintain records of inventory, acquisition, and disposal; issue shipping instructions; negotiate rates with warehousemen for services; and serve as liaison with State, county, and Washington ASCS offices, warehousemen, and trade groups.

The Storage Contract Division administers contracts with warehousemen for storage and handling of commodities. This division maintains lists of approved warehouses and serves as liaison between PVCO and the Agricultural Marketing Service (AMS) on matters relating to warehouse storage and warehouse examinations.

The Fiscal Division and the Claims and Collections Division are responsible for the financial operations engaged in by PVCO, including scheduling cash collections and allocating to applicable accounts, arranging with Federal Reserve Banks to carry out collection and disbursement functions and management of claims activities. These Divisions also serve as liaison with ASCS State, county, and Washington offices and members of the trade on claims and collections activity, fiscal examination, and settlement functions.

The Traffic Management Division participates in overall operational and program planning for transportation and traffic management. Services of this Division include arranging for transportation and related services, advising in the preparation of shipping instructions, traffic analysis, examination of charges, certification to the Claims and Collections Division for claims arising out of this Division, and handling port services.

The remaining two divisions, Management Information Division and Management Services and Methods Division, work closely in the area of design and development of computer processing systems. The Management Information Division is concerned with the overall planning for the utilization of ADP and related systems to improve operations of assigned programs. PVCO provides input data concerning its activities to the USDA central computer facilities.

The Management Services and Methods Division advises and collaborates in making recommendations to adjust or modify policy and procedure due to changes in programs, organization, and data processing systems and techniques. This Division is also responsible for budget preparation and work measurement, personnel services, and other administrative activities.

PVCO maintains branch merchandising offices which make both domestic and export sales in Minneapolis, Minn.; Chicago, Ill.; Houston, Texas; and Portland, Ore. Branch Offices also allocate inbound shipments against open sales contracts or for storage commitments. In their respective areas they represent PVCO and develop and maintain liaison with the trade, ASCS State Office and others, presenting and interpreting PVCO and ASCS-CCC policies, programs, and operating information.

Branch Offices provide advice to the merchandising and shipping trade, as well as other Government offices, by researching and reporting on market conditions, price quotations, and port activities.

Other activities include coordinating USDA export shipments through all major ports, conducting freight forwarding activities, and maintaining liaison with port authorities, custom offices, steamship companies, other governmental agencies, and private organizations as necessary on these movements.

